

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814

December 8, 1992

ALL COUNTY INFORMATION NOTICE I-64-92

TO: ALL COUNTY WELFARE DIRECTORS

Reason for this Transmittal

- ☐ State Law Change
- ☐ Federal Law Change
- ☐ Court Order or Settlement Agreement
- ☒ Clarification Requested by One or More Counties
- ☐ Initiated by SDSS

SUBJECT: Alternative Funding of County GAIN Share

The purpose of this letter is to provide information about ways to help meet local funding needs in the Greater Avenues for Independence (GAIN) Program when realignment revenues are insufficient to meet the entire county match requirement. Several counties have asked if it is permissible to meet the local match requirement by: (1) contracting with local public agencies; or (2) using private donations. Both alternatives can be used if the requirements outlined below are met.

Contracting with Public Agencies

Under this approach, the county would contract with one or more local agencies to provide GAIN services. The county would pay the contractor the equivalent of the state and federal share (approximately 85 percent) of the cost of the services and the contractor would provide the local share. The county would claim the entire amount to the state in order to receive reimbursement for all but the county share. To meet federal matching requirements, the following conditions must exist:

- o A contract or Memorandum of Understanding (MOU) is written which identifies the amount of contractor funds that will be used to provide GAIN services.
- o The contractor's funds identified for use as the local share are for activities and services that are not otherwise available on a non-reimbursable basis in accordance with 45 CFR 250.72(c).
- o The county has the authority to determine the specific activities and services for which these funds will be used.
- o No federal funds are used as the local share;
- o Local funds used for this purpose are not used to match other federal funds. For example, the local share of additional GAIN ADA cannot be used.

Using Private Contributions

Private contributions may be used to provide the county match if:

- o They are transferred to the county and under its administrative control;
- o They are donated without any restriction that would require their use for assisting a particular individual or at particular facilities or institutions; and
- o They do not revert to the donor's facility or use.

For further information regarding the use of contracts with public agencies, we have enclosed a copy of federal Action Transmittal 90-16 dated December 21, 1990.

If you have any questions, please contact your Employment Operations Analyst at (916) 657-3403.

Sincerely,



MICHAEL C. GENEST
Deputy Director
Welfare Programs Division

Enclosures

Job Opportunities and Basic Skills Training (JOBS) Program Action Transmittal

U.S. Department of
Health and Human Services
Family Support Administration
Washington, D.C. 20447

Transmittal No. JOBS-FSA-AT-90-16

Date December 21, 1990

TO : STATE IV-A AGENCIES, INDIAN TRIBES AND ALASKA NATIVE ORGANIZATIONS RESPONSIBLE FOR ADMINISTERING THE JOB OPPORTUNITIES AND BASIC SKILLS TRAINING (JOBS) PROGRAM UNDER TITLES IV-A AND IV-F OF THE SOCIAL SECURITY ACT AND OTHER INTERESTED ORGANIZATIONS, AGENCIES, AND INDIVIDUALS

SUBJECT : Funds considered as the State's share in claiming Federal financial participation under title IV-F of the Social Security Act (the Act).

REFERENCES: I. Sections 482(a)(2) and 485(a) and (b) of the Social Security Act

II. 45 CFR 250.10, 45 CFR 250.13,
45 CFR 250.72(c), 45 CFR 250.73(d)(1)

PURPOSE : To furnish guidance regarding funds provided by an agency other than the IV-A agency that may be considered as the State's share.

BACKGROUND: The Family Support Act of 1988 (Public Law 100-485) created the JOBS program under title IV-F of the Social Security Act. The purpose of JOBS is to assure that needy families with children obtain the education, training, and employment that will help them avoid long-term welfare dependence. Funding for JOBS is a capped entitlement, and Federal financial participation (FFP) is available for expenditures which meet the requirements of the Act and all applicable regulations.

Section 482(a)(2) of the Act requires that the State IV-A agency be responsible for the administration or the supervision of the administration of the State's JOBS program. Sections 485(a) and (b) provide States with broad contracting authority to the extent that the contracted service or activity is not otherwise available on a non-reimbursable basis. Review of State JOBS plans indicates that many State IV-A agencies are using this contracting authority to provide a variety of services and activities through other agencies of State and local governments.

The regulations at 45 CFR 250.73(d)(1) provide that:

(1) Public funds may be considered as the State's share in claiming FFP when the funds are:

(i) Appropriated directly to the State or local agency, or transferred from another public agency (including Indian tribes) to the State or local agency and under its administrative control;

(ii) Not used to match other Federal funds; and

(iii) Not Federal funds, or are Federal funds authorized by Federal law to be used to match other Federal funds.

Some States are having difficulty complying with the requirements of 45 CFR 250.73(d)(1) that funds be "transferred from another public agency ...to the State or local (IV-A) agency...." For example, State statutory law may preclude funds from being transferred from one State agency to another. In addition, mechanisms may not be available for agencies of local government (such as local education agencies) to transfer funds to the State (or local) IV-A agency. This "transfer of funds" problem has also arisen when funds were appropriated to non-IV-A agencies to be used exclusively for JOBS participants.

We have looked at various alternatives that might resolve these problems. We spoke to State and local officials who were interested in making funds available exclusively for JOBS participants. Consideration was given to a number of alternatives, including certification by the IV-A agency and/or the agency responsible for providing the services that funds are spent in accordance with applicable statutory and regulatory requirements.

However, given the requirements of the Act and the regulations regarding IV-A administrative control, we believe that the policy enunciated here will best serve these requirements.

This Action Transmittal is intended to offer a solution within the framework of title IV-F of the Social Security Act and implementing Federal regulations. We provide the following as an interim solution and plan to issue regulations in this area in the future.

POLICY :

If the State or local IV-A agency and the agency of State or local government that wishes to contribute funds to the JOBS program enter into a memorandum of understanding (MOU) containing the following terms, we will deem the "transfer of public funds" requirement to be met.

TERMS OF THE MOU

The [name of the agency of State or local government] (hereinafter "agency") and the [name of the State or local] IV-A agency (hereinafter "IV-A agency") responsible for administering the Job Opportunities and Basic Skills Training program under title IV-F of the Social Security Act agree:

(1)(a) In lieu of transfer of funds, the agency will identify the specific amount of funds that the IV-A agency may use as the non-Federal share of JOBS expenditures, and

(1)(b) The funds that the agency identifies for use as the non-Federal share of JOBS expenditures are for services and activities that are not otherwise available on a non-reimbursable basis in accordance with 45 CFR 250.72(c).

(2) The IV-A agency has the authority to determine the specific activities and services for which these funds will be used.

(3) State or local funds identified for this purpose may not be used to match other Federal funds.

ADDITIONAL
GUIDANCE:

Though inclusion of the specific language below is not required, we do require that implementation of the MOU adhere to the following provisions:

(a) Decision-making with regard to individual participants performed by the agency must be conducted in accordance with 45 CFR 250.10(b);

(b) The agency must provide fiscal and program data to the IV-A agency upon its request to assure compliance with Federal fiscal and program reporting requirements; and

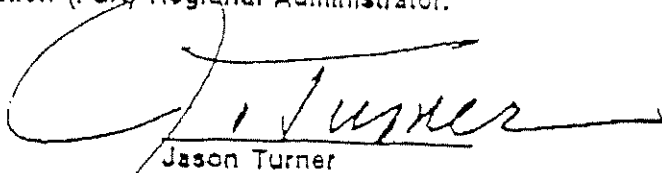
(c) The IV-A agency, the Family Support Administration and other agencies having Federal oversight responsibilities for the JOBS program must have access to fiscal records of the agency for all JOBS program expenditures.

APPLICABILITY
TO CHILD CARE:

For child care expenditures subject to 45 CFR Parts 255 and 256, FFP for expenditures made by public agencies, other than the IV-A agency, is available so long as such expenditures are necessary for the proper and efficient administration of the program. The State's share of such expenditures need not be transferred to the IV-A agency.

EFFECTIVE : Upon receipt.
DATE

INQUIRIES : Inquiries should be directed to the appropriate Family Support Administration (FSA) Regional Administrator.


Jason Turner
Director
Office of Family Assistance